

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6764**

**BILL NUMBER:** HB 1396

**NOTE PREPARED:** Dec 12, 2004

**BILL AMENDED:**

**SUBJECT:** Distressed Road Fund.

**FIRST AUTHOR:** Rep. Stutzman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows LaGrange County to apply to the Department of Transportation (INDOT) for a loan from the Distressed Road Fund.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This proposal allows one additional county to apply for a loan from the Distressed Road Fund. Currently, ten counties are permitted to apply for these loans. The purpose of the fund is to provide financial assistance to counties, cities, and towns which have serious road and street deficiencies.

The specific impact on the Distressed Road Fund will depend upon the amount and approval of any loan application from LaGrange County and any other eligible county and the payback of current outstanding loans. The current status of the Distressed Road Fund is shown in the following table.

<b>Date</b>	<b>Corpus of Funds</b>	<b>Amount</b>	<b>Balance</b>
1982	Transfers	\$5,000,000	
1982	Transfers	\$1,750,000	
1982	Transfers	\$750,000	
1983	Transfers	\$2,500,000	
	<b>Total Funds</b>		<b>\$10,000,000*</b>

<b>Due Date</b>	<b>Agreement Date</b>	<b>Outstanding Loans</b>	
Operating Advance to Acct #816			\$3,000,000
7/27/08	7/26/98	\$900,000	
4/17/13	4/17/03	\$1,000,000	
5/13/14	5/3/04	\$600,000	
Outstanding Balance of Loans to Local Public Agencies (2)			\$2,500,000
Total Outstanding Loans			\$5,500,000
<b>Balance 11/30/04 (3)</b>			<b>\$4,500,000</b>

(1)\* Corpus of funds consists of funds transferred from the Motor Vehicle Highway Account (MVHA). The source of these funds is as follows: \$5,000,000 transferred from the Motor Fuel Tax, and \$5,000,000 transferred from the Special Fuel Tax.

(2) Amount to be paid back at due date is the principal listed for each county without interest.

(3) Per current practice, the balance in the Distressed Road Fund is not to go below \$500,000.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Transportation.

**Local Agencies Affected:** LaGrange County and other counties participating in the Distressed Road Fund.

**Information Sources:** D.R. Williams, Accounts Receivable Supervisor, Department of Transportation, 317-232-5384.

**Fiscal Analyst:** James Sperlik, 317-232-9866.